DR. AUGUST OETKER KG

OETKER-GRUPPE

Press release

Paving the way for the future – Oetker Group on course for further growth

Respectable performance in financial year 2014

<Bielefeld, 16.06.2015> At the Annual Press Conference held in Bielefeld on Tuesday, Richard Oetker, General Partner of **Dr. August Oetker KG**, stated: “The Oetker Group recorded a respectable result in 2014 even though the global economy had its ups and downs – generally speaking, each of our divisions succeeded in outperforming its respective sector”. At the same time, the company paved the way for future growth with numerous acquisitions and through preparations for further takeovers.

In this connection, the Group’s business divisions performed satisfactorily in reporting year 2014, showing a slight rise in **sales revenue** of 0.8% at EUR 10,934 million (previous year: EUR 10,844 million). Disregarding deconsolidations and first-time consolidations, growth adjusted for currency translation effects also stood at 0.8%, falling short of planned levels. EUR 3,742 million or 34.2% of total sales revenue was generated in **Germany** (previous year: EUR 3,519 million or 32.4%). The proportion of the Oetker Group’s total sales revenue **generated outside Germany** fell slightly to EUR 7,192 million or 65.8% (previous year: EUR 7,325 million or 67.6%). Of this, 23.6% (EUR 2,575 million) was attributable to other EU countries (previous year: 23.4% or EUR 2,537 million) and 5.1% (EUR 561 million) to the rest of Europe (previous year: 3.2% or EUR 344 million). Sales in the rest of the world made up 37.1% (EUR 4,056 million) compared with 41% (EUR 4,444 million) in the previous year. The breakdown of total sales revenue among the individual divisions changed very slightly year-on-year. With 47.4%, Shipping still accounted for the largest share of total sales revenue (previous year: 48.5%). Taken together, the three consumer goods-oriented areas made up 48% of total sales revenue (previous year: 47.1%). 24% of sales revenue was generated by the Food Division (previous year: 23.8%), 17.6% by Beer and Nonalcoholic Beverages (previous year: 17%), and 6.4% by Sparkling Wine, Wine and Spirits (previous year: 6.3%). Other Interests made up 4.6% of total sales revenue (previous year: 4.4%).

The total number of **employees** increased by 5.4% to 28,354 (previous year: 26,907). Staffing levels in the Food Division rose by 4.2% to 12,790 employees (previous year: 12,272). The Beer and Nonalcoholic Beverages Division recorded a slightly higher headcount. In the past year, the Radeberger Group employed 5,757 people (previous year: 5,689), representing a rise of 1.2%. There was a slight downturn in the number of people employed in the Sparkling Wine, Wine and Spirits Division. At Henkell & Co. Sektkellerei, the headcount was down 1.0% on the previous year with 2,007 employees (previous year: 2,028). Staffing levels at Hamburg Süd increased substantially by 19.3% to 5,360 employees over the past financial year (previous year: 4,491). The increase in headcount is mainly due to the fact that personnel that were previously classified as external seamen are now counted as the company's own personnel. In the Other Interests Division, the number of employees rose from 2,427 to 2,440, up 0.5% year-on-year.

Average result for Food Division in 2014

The **Food Division**, which consists of the branded food products and bulk consumer business, lifted its sales revenue slightly by 1.7% to EUR 2,622 million (previous year: EUR 2,577 million). Adjusted for currency translation and consolidation effects, sales revenue grew by 2.0%.

Performance varied widely among **Dr. Oetker**'s national companies. All in all, Dr. Oetker GmbH recorded a respectable sales and earnings result in spite of persisting price pressure on the raw materials markets and fluctuations in the global economy. Sales by the German companies remained stable and unchanged while those of its international affiliated companies grew by 1.3% over the past year (previous year: 2.3%). All in all, business outside Germany accounted for 67.3% of total sales revenue (previous year: 67%). Successful acquisitions in particular paved the way for further internationalization.

Overall, the strategic product lines in the areas of ambient food, frozen pizza, and chilled products performed well. In the highly competitive pizza market, Dr. Oetker succeeded in adding to its market share. Among the factors contributing to this was the innovative Pizza Burger product range. Pizza Ristorante continued its international success story and remains one of the most successful pizza concepts. A further highlight was the opening of the new Dr. Oetker pizza factory in Canada. The ambient food range was also able to boost its international presence. Baking goods – and, above all, the range of baking decoration goods, which has been expanded significantly in recent years – proved to be particularly popular among consumers. All over Europe, these segments took advantage of the trend for consumers to bake and decorate their own cakes and contributed to the positive performance in this area. In many countries, microwave mug cakes ("Tassenküchlein") supplemented the range of snack baking mixes. The chilled products area also performed well with its ready-to-eat desserts. The Paula and Marmorette brands were supplemented by a number of innovative variants. Marmorette Splits (with chocolate pieces in the cream) and Paula Stracciatella are, in terms of both technology and taste, unique new products that have contributed to the growth of the Dr. Oetker brand in the ready-to-eat desserts market. In the reporting year, many new products were also launched in all ranges. In the retail area, this includes microwave mug cakes (“Tassenküchlein”), small ready-to-eat cakes in loaf pan form and Vitalis Roasted Muesli. The Dr. Oetker Food-Service product area changed its appearance. With the new Dr. Oetker Professional brand concept, the needs and wishes of professional users of out-of-home suppliers were addressed to an even greater extent.

The company’s international performance was given a further boost with two successful acquisitions. By taking over the North American frozen pizza business of McCain Foods Limited – which has production locations in Grand Falls, New Brunswick (Canada) and Lodi, New Jersey (USA) – Dr. Oetker was able to further increase its international presence in the frozen foods sector. As well as becoming the Canadian market leader for frozen pizza, it strengthened its presence in the core region on the US East Coast. A number of different brands were also bought as part of this acquisition, including successful US pizza brand “Ellio’s”. With the purchase of Mexican company D’Gari, Dr. Oetker gained a foothold in the Mexican market for gelatin desserts. As the clear market leader in the powder-based gelatin dessert segment, D’Gari offers a solid platform for both moving into further market segments in Mexico and for spurring on international growth. The company employs some 600 people at its Querétaro production location in Mexico. At international level, it was also very encouraging that Dr. Oetker was able to outperform average market growth, particularly in Eastern Europe and the Americas region.

Financial year 2014 saw the **Martin Braun Group** increase its sales revenue by 7.2% year-on-year, thereby setting a new record. The positive variance compared with the previous year was strongly influenced by the integration of Delite B.V. in the Netherlands, which was acquired on January 1, 2014, as well as by organic growth. This is especially encouraging given that European markets are stagnating and that the number of craft bakeries in the German market is dwindling. In addition, the Ukraine crisis resulted in a decrease in sales revenue in Ukraine and in Russia. Product innovations such as the MySweeties concept (cakes in a cup) and the lye croissant (“Laugenecke”) from Wolf ButterBack contributed to the positive sales performance. The German business bucked the market trend through the successful frozen bakery product ranges and ranges of bread, rolls and organic yeast. Agrano AG remains market leader in Switzerland. Capfruit in France, which was acquired in 2012, and the build-up of business in Turkey and Singapore contributed to the positive developments, as did the encouraging growth in the Hungarian market.

As Germany’s largest specialist market and supplier of fine foods, the **FrischeParadies Group** continued the positive performance of previous years in 2014, increasing its sales revenue by 3.3%. As well as the acquisition of Fruchthof in Austria, this can be attributed to the positive performance of the export business. The Baltic States in particular performed better than average. The expansion of the Majorca branch also contributed to the Group’s growth. The Hamburger Feinfrost GmbH subsidiary also recorded very satisfactory performance in 2014 as the leading provider in the frozen seafood area. As a specialist and importer of wine, champagne and spirits, Weinwerk Frankfurt Handelsgesellschaft was also able to build on its activities in 2014.

Stable unit sales and marked increase in sales revenue for Beer and Nonalcoholic Beverages Division

The **Radeberger Group**, Germany’s largest private brewing group, forms the **Beer and Nonalcoholic Beverages Division** within the Oetker Group. In a challenging year, it succeeded in keeping its beverage sales stable at 13 million hectoliters and increasing its sales revenue significantly by 4.7% to EUR 1,929 million. Business was stimulated by positive special factors such as the soccer World Cup and the fine weather. The competition remained strong, but the brewing group was able to hold its own thanks to its proven portfolio strategy.

The market segment for the brands marketed in Germany came under particular pressure owing to changed price signals on the market. It was therefore very encouraging that all national Radeberger Group brands (Radeberger Pilsner, Jever Pilsener and Schöfferhofer Weizen) recorded positive growth in sales revenue. Further growing interest among consumers in special beers resulted in an equally encouraging performance for the nationally marketed specialties segment. While Clausthaler Alkoholfrei recorded single-digit growth, the international imported beers, driven primarily by the Guinness and Kilkenny brands, enjoyed impressive double-digit growth. The Group’s regional premium brands also recorded above-average growth. A surge in regional identity among consumers and stronger identification with regional companies and products created strong tailwind for this segment, leading to a marked increase in sales. The main drivers of this superior overall performance were Saxon beers Ur-Krostitzer and Freiberger, premium Berlin brands Berliner Kindl and Berliner Pilsener, Dortmunder Kronen and Brinkhoff’s No. 1, Stuttgarter Hofbräu and Büble Bier from the Allgäu region. The Radeberger Group also benefited from the demand for German beers abroad, posting high double-digit growth in sales with exports.

The nonalcoholic beverages of the Radeberger Group made the most of the hot weather in 2014. Through a significant increase in sales, it not only defended its market position but also expanded it strategically. In a year marked by the extensive preparations for the cooperation with PepsiCo Germany that started in January 2015, all of the nonalcoholic brands of the Radeberger Group were able to hold their own, with Original Selters sales growing significantly again. As in the previous year, Bionade recorded encouraging growth in unit sales and sales revenue in 2014. In the second year following its market launch, tea beverage Ti made good progress, backed up with a clear increase in sales revenue.

Unit sales and sales revenue growth in the Sparkling Wine, Wine and Spirits Division

Despite negative exchange rate effects, the **Sparkling Wine, Wine and Spirits Division** continued its healthy growth in 2014, generating sales revenue of EUR 697 million (previous year: EUR 687 million). This corresponds to a 1.5% increase in sales revenue compared with 2013. At the same time, the **Henkell & Co. Group**'s unit sales increased to 242.6 million bottles of sparkling wine, wine and spirits (previous year: 250.2 million) in the reporting year. While the sparkling wine sector was up slightly year-on-year with 159 million bottles, unit sales of wine increased by 17.6% to 46.4 million bottles. In the same period, spirits fell slightly by 0.8% to 44.8 million bottles. While the German market for traditional sparkling wine declined for the second consecutive year, the sparkling wine market – including secco and wine-based cocktails – registered positive growth. The sparkling wine market is developing well internationally in spite of the negative effects of the reintroduction of sparkling wine tax on the Austrian market and political developments in Ukraine. These factors meant that, contrary to forecast development, sparkling wine sales fell in Austria and Ukraine, thereby curbing the overall positive performance of the Henkell & Co. Group in this segment.

The performance of core brands was almost universally positive in the reporting period. In the case of Henkell, the aforementioned reintroduction of sparkling wine tax in the neighboring Austrian market pushed sales down by 8% to 14.3 million bottles. By contrast, Mionetto succeeded in increasing its unit sales by 4.2% to 16.4 million bottles. This can be attributed in no small part to the positive performance of main product Mionetto Prosecco DOC Treviso. Following its double-digit growth in the previous year, Fürst von Metternich – the leading German premium sparkling wine by some distance – once again put in a very encouraging performance, building on its market position with an increase of 7%. Fürst von Metternich Chardonnay generated positive resonance with a new white-lacquered bottle. Söhnlein Brillant, the strongest sales brand in the Group's portfolio, outpaced market growth, recording a 12.3% increase with 21.5 million bottles. Söhnlein Brillant Medium Dry and Söhnlein Brillant Mild were also particularly well received. While Törley sparkling wine in Hungary continued its positive performance with an increase of 1.9% to 9.8 million bottles, Bohemia sparkling wine in the Czech Republic even succeeded in chalking up a 7.3% increase – also to 9.8 million bottles – and Hubert sparkling wine increased its unit sales in the Slovak Republic by 7.0% to 6.5 million bottles. This means that all three brands remain the market leaders in their home countries.

The core brands in the spirits segment performed differently, but were just under the previous year's level overall. Gorbatschow Vodka, which has been the leading brand of vodka in Germany since the mid-1970s, succeeded in increasing its unit sales by 11.1% to 16.3 million 1/1 bottles, thereby increasing its market share once again. Kuemmerling herbal liqueur remained at 3.3 million 1/1 bottles.

The Henkell & Co. Group's wine business was particularly encouraging in 2014. While the Group's German vineyards – Schloss Johannisberg and the G.H. von Mumm'sche Weingut – were limited in their volume sales by the poor harvest, the vineyards and brands in Hungary and the Czech Republic all performed well. Added to this is Copestick Murray, the company acquired in 2013, which markets Henkell & Co. Group brands in the United Kingdom and succeeded in generating unit sales of over 4 million bottles of its own wine brand, I heart. Despite sometimes adverse conditions, the Group was able to close the financial year on a thoroughly satisfactory note overall.

Shipping Division: Paving the way for the future

The **Hamburg Süd Group** constitutes the Oetker Group's **Shipping** Division. Its core business is container liner shipping including all upstream and downstream logistics services with German carrier Hamburg Süd and Brazilian shipping company Aliança. It is also active in the break-bulk and product tanker sector with Rudolf A. Oetker (RAO), Furness Withy Chartering and Aliança Bulk (Aliabulk) and, with the Hamburg Süd Travel Agency, as a special services provider for business travel, cruises, etc. Although its sales fell again by 1.3% to EUR 5,186 million, Hamburg Süd succeeded in holding its own in a still-difficult environment in 2014. Given the poor economic performance of most South American countries, with declining trade volumes in some cases, the Group was only able to increase its line shipping transport volume by 2.3% to 3.375 million TEU (1 TEU = 20-foot container), thereby achieving a positive, albeit unsatisfactory line result.

As at December 31, 2014, the Hamburg Süd fleet consisted of a total of 168 ships, 46 of which were owned by the Group. 112 ships were used in the liner services and 56 were exclusively chartered for the tramp division (break-bulk ships, product tankers). As in the previous year, further ships from the "Cap San" series were added to the fleet, each with a capacity of 9,600 TEU. These were joined by ships from the "San" class with 9,000 TEU and a high proportion of slots for refrigerated containers as well. A total of 13 ships with a slot capacity of at least 9,000 TEU are used – with their large reefer capacity, these are mainly deployed between Asia or Europe and the East Coast of South America. The cabotage fleet operated by Hamburg Süd subsidiary Aliança was also increased by two state-of-the-art 4,800-TEU wide-beam ships. Five older and smaller units were sold, meaning that container stock increased marginally from 457,000 to 468,000 units. With overall capacity in the line increasing to around 537,000 TEU, the average ship size grew from 4,437 TEU to 4,795 TEU. Three further new Cap San containers are due to be delivered in 2015. In this way, the shipping group is continuing its strategy for increasing the efficiency of its fleet. The rising average capacity of the ships continually pushes down costs per slot.

Owing to the persistently high overcapacity, income in the bulk area of all ship classes remained under pressure throughout 2014. The Group's break-bulk activities operating under the name Rudolf A. Oetker, Furness Withy Chartering and Aliança did not lead to a positive result in 2014 either and were roughly on a par with the previous year's level.

At the end of March of this year, Hamburg Süd took over the liner services of Compañía Chilena de Navegación Interoceánica (CCNI for short) between the West Coast of South America on the one hand and Asia, North America and Europe on the other. This increases the shipping group's transport volume by almost 10% or approx. 300,000 TEU. Hamburg Süd is establishing itself as market leader in a number of trade lanes, moving into routes in which it has not yet been active to date. These will be integrated in the first half of 2015.

In order to extend the liner network and make use of the logistic benefits that this entails, Hamburg Süd entered the East-West trade lane at the turn of the year. Through the cooperation with Dubai-based United Arab Shipping Corp. (UASC), which has been in place since early 2015, Hamburg Süd has the opportunity to provide capacity at competitive conditions. In return, UASC is granted slots on selected Hamburg Süd South America routes. By joining forces with UASC, Hamburg Süd reduces its dependence on South America and offers its customers an expanded network that is being well received by them. This also opens up further growth and cost-reduction potential on land and at sea.

In February 2015, Hamburg Süd and CMA CGM announced their intention to work together on further routes in addition to the existing joint services between Northern Europe and the West and East Coast of South America. For instance, they plan to take over a joint service from Asia through the Panama Canal to the US East Coast and on to Europe and back.

Performance varies within the Other Interests Division

The companies in the **Other Interests** division recorded different performances in their respective markets. Overall, the division increased its sales revenue by 3.7% to EUR 500 million in 2014 (previous year: EUR 483 million).

Budenheim’s value orientation proved its worth again in 2014. The company fell short of the planned volume growth, but did increase profits. Part of the reductions in raw material costs was passed on to customers. With prices declining slightly overall (-1%), sales fell by 1% to EUR 259 million. Budenheim experienced a 3.1% fall in unit sales in its core business. With the changed product mix, the average price rose on balance by 0.6%. Sales revenue in the core business was down by 2.6%. Taking into account the encouraging performance of acid trading, volume increased by 1.6% overall.

Companies in the **Oetker Collection** have had a satisfactory year, having increased sales revenue by 7.1% to EUR 157 million. This can be attributed in particular to the positive sales performance of Hotel Le Bristol Paris and Hotel du Cap-Eden-Roc in Antibes. Major investments were made in Hotel Le Bristol and in Brenners Park-Hotel & Spa. At the Hotel Le Bristol, the main focus was on extensive room renovations. At Brenners Park Hotel & Spa, the extensive rebuilding and renovation project for redesigning the Villa Stéphanie was completed in December 2014 after several years’ work. As part of the ensemble of buildings at the Brenners Park Hotel, the

Villa Stéphanie – which reopened in January 2015 – will now be home to the hotel's new spa facility as well as 15 new rooms and suites. The Oetker Hotel Management Company took over the management of the Eden Rock St Barths hotel last year and signed a management contract for the Lanesborough Hotel in London, which is to reopen in summer 2015 following extensive renovations. It is the ninth Masterpiece Hotel in the Oetker Collection portfolio. Due in part to expansion steps taken in the past, accommodation revenue rose by a substantial 11.8% year-on-year.

Also last year, the **Dr. Oetker Verlag** publishing house was unable to escape the difficult situation in the classic German book market, which is under pressure and suffering from falling sales. Especially in the area of cookery and baking books, it is difficult to achieve acceptance among consumers for the marketing of electronic content. Despite extensive efforts, 2014 therefore fell short of the previous year's level for Dr. Oetker Verlag.

Sales revenue for **OEDIV Oetker Daten- und Informationsverarbeitung** was encouraging in 2014. The trend towards outsourcing internal IT infrastructures continued last year and OEDIV – as a medium-sized provider with data centers operated exclusively in Germany – enjoys a high level of trust, especially in the area of data protection. The company exceeded its sales planning for financial year 2014 slightly, both with existing customers and by acquiring new customers. Besides the hosting and operation of SAP systems, the demand for operation of Microsoft-based systems and applications experienced further growth in 2014. OEDIV continued expanding its service portfolio in this area last year as well.

Handelsgesellschaft Sparrenberg was able to win over customers within and outside the Oetker Group with its information and procurement services and strategic procurement management consulting on market and price developments in the international raw materials and packaging markets and in framework agreements, securing loads and energy and was also able to increase its sales revenue by 3.5%.

Roland Transport boosted its sales revenue by 10.1% year-on-year in 2014. Despite economic factors on the customer side influencing the level of transport planned by Roland, business was invigorated by new acquisitions in the 4PL area.

Bankhaus Lampe

With its subsidiaries, **Bankhaus Lampe** KG forms the **Banking Division** and ranks among the leading independent private banks managed by personally liable stockholders in Germany. Its business activities focus mainly on advising and servicing the needs of three target client groups: private clients, companies and institutional clients. It is accounted for at equity in the consolidated financial statements. For more information, please refer to the Bank's separate annual report and its related press release.

Earnings performance for the Oetker Group still respectable

According to Dr. Albert Christmann, Head of Finance and General Partner in Dr. August Oetker KG, the company's performance in 2014 continued to be respectable. The Oetker Group's consolidated balance sheet closed with a balance sheet total of EUR 8,499 million (previous year: EUR 7,770 million). Excluding first-time consolidations, investments in tangible and intangible fixed assets amounted to EUR 667 million in 2014, down EUR 110 million on the corresponding figure for the previous year. Depreciation amounted to EUR 530 million, which was up EUR 24 million year-on-year. The limited partner capital of parent company Dr. August Oetker KG remained constant at EUR 450 million. The total equity reported in the consolidated financial statements as at December 31, 2014, amounted to EUR 3,484 million, an increase of EUR 379 million on the previous year. The equity ratio was 41%. Cash flow in 2014 was once again well over EUR 600 million, which was respectable from both a qualitative and quantitative perspective. The Oetker Group followed up its pronouncements at last year's press conference with definitive action: "The Group continued its internationalization resolutely in North, Central and South America and in Europe. At the same time, the way was paved for further organic growth. Both strategic thrusts will be reflected in the current year's sales revenue, balance sheet and financial result. At the same time, we use the scope afforded to us by our balance sheet and liquidity situation to pursue the strategic objectives of each division in the Oetker Group. This encouraging start to the financial year allows us to look to the future with great anticipation."

These documents can be called up in the Oetker Group's press section as of 12 noon on June 16, 2015: www.oetker-gruppe.de

In case of queries, please contact:
Dr. August Oetker KG
Public Relations Department
Dr. Jörg Schillinger
Tel.: +49 (0) 521/155-2619
Fax: +49 (0) 521/155-11-2619
E-mail: joerg.schillinger@oetker.de

To request pictures, please contact:
Dr. August Oetker KG
Public Relations Department
Eva Tatje
Tel. +49 (0) 521/155-3014
Fax: +49 (0) 521/ 155-11-3014
E-mail: eva.tatje@oetker.de

Key data 2014

	2012	2013	2014	Change 2013/2014
NET SALES (IN EUR MILLION)	**10,942**	**10,844**	**10,934**	**0.8 %**
- Food	2,501	2,577	2,622	1.7 %
- Beer and Nonalcoholic Beverages	1,844	1,843	1,929	4.7 %
- Sparkling Wine, Wine and Spirits	675	687	697	1.5 %
- Shipping	5,468	5,254	5,186	-1.3 %
- Other Interests	454	483	500	3.7 %

INVESTMENTS (IN EURO MILLION) (excluding companies consolidated for the first time)	**531**	**777**	**667**	**-14.2 %**
- Food	119	158	132	-16.6 %
- Beer and Nonalcoholic Beverages	97	105	121	15.1 %
- Sparkling Wine, Wine and Spirits	18	12	16	25.4 %
- Shipping	247	450	348	-22.7 %
- Other Interests	50	52	50	-2.3 %

EQUITY (IN EURO MILLION)	**2,847**	**3,105**	**3,484**	**12.2 %**
As a percentage of the balance sheet total	37.0	40.0	41.0	

BALANCE SHEET TOTAL (IN EURO MILLION)	**7,695**	**7,770**	**8,499**	**9.4 %**

EMPLOYEES	**26,406**	**26,907**	**28,354**	**5.4 %**
- Food	11,752	12,272	12,790	4.2 %
- Beer and Nonalcoholic Beverages	5,725	5,689	5,757	1.2 %
- Sparkling Wine, Wine and Spirits	2,040	2,028	2,007	-1.0 %
- Shipping	4,512	4,491	5,360	19.3 %
- Other Interests	2,377	2,427	2,440	0.5 %

Percentages relate to exact turnover figures, not to rounded sums.